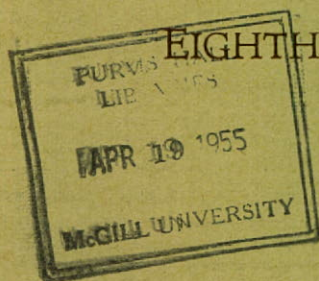


BATHURST POWER AND PAPER COMPANY LIMITED

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EIGHTH ANNUAL REPORT
1935



BATHURST POWER AND
PAPER COMPANY
LIMITED



EIGHTH ANNUAL REPORT
1935

Report of Directors

To the Shareholders of

Bathurst Power and Paper Company, Limited.

The Directors present herewith the Consolidated Balance Sheet and Statement of Profit and Loss and Surplus Account for the year ended December 31st, 1935, together with the Report of the Auditors, Messrs. Price, Waterhouse & Company.

Net Earnings for the year, after providing for Depreciation and all other charges and making provision for Dominion Income Taxes, were \$94,533.50. Your Company now has an earned surplus of \$22,489.42.

Current and Working Assets, including Cash, Call Loans and Marketable Securities, amounting to \$1,392,887.76 aggregated \$2,686,141.49 and compare with \$2,290,893.59 as of December 31st, 1934. Current and Accrued Liabilities were \$251,767.18 as compared with \$140,054.64 on December 31st, 1934.

Net Current and Working Assets at the end of the year were \$2,434,374.31 compared with \$2,150,838.95 as at the end of the previous year. Your Company has no bank or bonded indebtedness.

During the year your Directors approved of writing down the Property Values by the amount at the credit of Capital Surplus and effect has been given thereto in the Balance Sheet now submitted.

The year 1935 witnessed the continued progress of your Company in the Kraft Liner business, with a substantial increase in sales above 1934.

The volume of Sulphite Sales also improved over the preceding year but the margin of profit was unsatisfactory.

The physical assets have been well maintained and the plant is in good condition. Towards the end of the year a programme of alterations and additions to the Kraft Mill and Fourdrinier

Machine was commenced, with the object of increasing the productive capacity of Kraft Liner and further improvements have been made during the year and are in contemplation to increase efficiency and reduce costs.

Plans have also been approved to recondition an idle Cylinder Machine for the manufacture of folding box boards. It is expected that this machine will be brought into operation approximately the 1st of June, 1936.

The Auditors, Messrs. Price, Waterhouse & Company, retire at this time, and, being eligible, offer themselves for re-election.

The Board of Directors wishes to express its appreciation of the loyal and efficient services of the officers, staff and employees of the Company.

Respectfully submitted on behalf of the Board of Directors.

J. B. WHITE,
President.

MONTREAL, P.Q., April 9th, 1936.

BATHURST POWER AND AND SUBSIDIA

Consolidated Balance Sh

ASSETS

	1935	1934
CURRENT ASSETS:		
Cash and on Call	\$ 264,076.00	\$ 58,375.35
Marketable Securities, at cost—		
Dominion of Canada Bonds (Quoted Value, Dec. 31, 1935, \$366,911.50)	352,707.26	179,044.76
Provincial, Municipal and Other Bonds (Quoted Value, Dec. 31, 1935, \$821,706.25)	776,104.50	754,332.00
Accounts and Notes Receivable (less Reserve for Doubtful Accounts)	290,742.55	203,140.02
Trade Deposits	10,553.86	—
Inventories of Raw Materials, Supplies and Finished Products as determined and certified by responsible officials of the Company, valued on the basis of average cost or market, whichever was the lower..	\$ 791,909.96	859,986.82
Expenditures on Current Season's Logging Operations.	200,047.36	236,014.64
	<u>\$ 2,686,141.49</u>	<u>\$ 2,290,893.59</u>
 PROPERTIES at book values December 31, 1934, with the cost of subsequent additions and after applying in re- duction of values Capital Surplus of \$8,804,082.45 as per contra—		
Timber Limits and Undeveloped Water Powers	\$ 7,337,568.97	
Buildings, Plant and Machinery	6,355,401.49	
	<u>\$13,692,970.46</u>	<u>\$22,466,250.99</u>
 INVESTMENTS IN AND ADVANCES TO ASSOCIATED AND OTHER COMPANIES	<u>\$ 55,596.68</u>	<u>\$ 54,503.00</u>
 DEFERRED CHARGES:		
Prepaid Taxes, Unexpired Insurance and Expenses. . . .	\$ 21,842.11	\$ 18,666.41
Depletion on Pulpwood on hand, to be absorbed in future operations	41,353.69	35,828.72
	<u>\$ 63,195.80</u>	<u>54,495.13</u>
	<u>\$16,497,904.43</u>	<u>\$24,866,142.71</u>

Approved on behalf of the Board:

J. B. WHITE, }
H. J. WEBB, } Directors.

1533

6355
7888

APER COMPANY LIMITED

Y COMPANIES

t, December 31st, 1935

LIABILITIES

	1935	1934
CURRENT LIABILITIES:		
Accounts Payable	\$ 153,497.24	\$ 63,389.05
Accrued Liabilities	34,572.75	12,815.09
Taxes and Stumpage Dues	47,397.19	63,850.50
Provision for Dominion Income Tax	16,300.00	—
	<u>\$ 251,767.18</u>	<u>\$ 140,054.64</u>
RESERVES:		
Depreciation of Buildings, Plant and Machinery	\$ 621,643.52	\$ 440,361.13
Depletion of Timber Limits	348,308.59	298,021.30
Mill Replacements and Insurance Fund	13,695.72	15,667.27
	<u>\$ 983,647.83</u>	<u>\$ 754,049.70</u>
COMMON SHARES AND SURPLUS:		
CLASS A: Authorized—750,000 shares without Nominal or Par Value.		
Issued—400,000 shares without Nominal or Par Value.		
(Class A shares are redeemable at \$65.00 per share upon thirty days' notice)	\$14,400,000.00	\$14,400,000.00
CLASS B: Authorized—500,000 shares without Nominal or Par Value.		
Issued—300,000 shares without Nominal or Par Value		
	840,000.00	840,000.00
CAPITAL SURPLUS:		
Balance at December 31, 1934, applied in reduction of property values as at December 31, 1935	—	8,804,082.45
EARNED SURPLUS as per statement attached—		
Deficit	—	72,044.08
Surplus	22,489.42	—
	<u>\$15,262,489.42</u>	<u>\$23,972,038.37</u>
	<u>\$16,497,904.43</u>	<u>\$24,866,142.71</u>

Submitted with our report March 4th, 1936.

PRICE, WATERHOUSE & Co.,

Auditors.

BATHURST POWER AND PAPER COMPANY LIMITED AND SUBSIDIARY COMPANIES

*Consolidated Statement of Profit and Loss and Surplus Account
December 31, 1935*

Sales.....		\$ 1,817,670.17	
Cost of Sales.....		1,448,348.16	
			\$ 369,322.01
Other Operating Income—Miscellaneous		14,141.53	
			\$ 383,463.54
ADMINISTRATION AND GENERAL EXPENSES:			
Administration, Salaries, Expense, etc.....	\$ 64,458.76		
Salaries to Officers.....	21,581.70		
Directors' Fees.....	660.00		
Legal Expenses.....	1,301.82		
Selling Expense and Commission.....	56,070.92		144,073.20
			\$ 239,390.34
Depreciation.....		176,381.31	
			\$ 63,009.03
Non-Operating Income—			
Interest from Investments, etc.....	\$ 86,569.46		
Profit on Sale of Investments.....	2,017.75		88,587.21
			\$ 151,596.24
OTHER DEDUCTIONS:			
Idle Expenses, Woodlands Division		35,112.93	
			\$ 116,483.31
DEDUCT:			
Bathurst Electric & Water Power Company Limited, Operating Loss before providing for Depreciation for the year ending December 31, 1935 (including \$422.15 Salaries to Officers and Directors' Fees) ..	\$ 748.73		
Depreciation.....	4,901.08		5,649.81
Combined profit for the year, before providing for Dominion Income Tax for year ending December 31, 1935.....		\$ 110,833.50	
DEDUCT: Provision for Dominion Income Tax for the year ending December 31, 1935.....		16,300.00	
			\$ 94,533.50
Deficit, Balance at December 31, 1934.....		72,044.08	
			\$ 22,489.42

Note—Depletion amounting to \$40,395.03 has been provided during the year as an operating expense.

Auditors' Report

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of the Bathurst Power & Paper Company Limited and its Subsidiary Companies for the year ending December 31, 1935, and have obtained all the information and explanations which we have required, and we report that the above Balance Sheet at December 31, 1935, is, in our opinion, properly drawn up so as to show a true and correct view of the financial position of Bathurst Power & Paper Company Limited and its Subsidiary Companies at that date, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.,
Auditors.

MONTREAL, March 4, 1936.

BATHURST POWER AND PAPER COMPANY LIMITED

Officers

BRIG.-GEN. J. B. WHITE.....	President
GEO. M. MCKEE.....	Vice-President
G. T. SHIPMAN.....	Vice-President
H. J. WEBB.....	Treasurer
G. A. SCHRYER.....	Asst. Treasurer
SMITH MORSE.....	Manager
S. B. BOND.....	Secretary

Directors

F. J. CAMPBELL

P. A. THOMSON

GEO. M. MCKEE

H. J. WEBB

R. W. STEELE

BRIG.-GEN. J. B. WHITE

J. B. WOODYATT

